

# *CITY COUNCIL*

## *Committee of the Whole*

**Tuesday, May 28, 2013**

**Council Office**

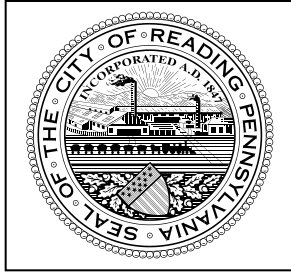
**5:00 pm**

**Agenda**

*Although Council committee meetings are open to the public, public comment is not permitted at Council Committee of the Whole meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the President of Council.*

*All electronic recording devices must be located behind the podium area in Council Chambers and located at the entry door in all other meeting rooms and offices, as per Bill No.27-2012.*

- I. Code of Ethics Amendment re Pay to Play (G. Shantz)**
- II. Council Discussion re Strategic Planning**
- III. Agenda Review**



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**May 13, 2013**  
**5:00 P.M.**

### **COUNCIL MEMBERS PRESENT:**

D. Sterner, S. Marmarou, D. Reed, R. Corcoran, F. Acosta

### **OTHERS PRESENT:**

L. Kelleher, C. Younger, D. Cituk, C. Snyder, M. Bembenick, V. Spencer, E. Lloyd, L. Murin

The Committee of the Whole meeting was called to order at 5:05 pm by Council President Acosta. He noted that Councilors Waltman and Goodman-Hinnershitz are excused from tonight's sessions.

### **I. Orange and Cherry Playground**

Mr. Acosta stated that this issue was discussed at the leadership meeting; however, after speaking with the City Clerk he learned that the discussion last week did not resolve the issue.

Mr. Spencer stated that Ms. Kelleher is incorrect, as he spoke with Mr. McCracken last week. Ms. Snyder stated that no one brought this issue to her attention.

Ms. Kelleher stated that Mr. McCracken called the office two weeks ago and explained that over several months he has made several calls to various Administrative offices such as Public Works and the Mayor's Office but did not receive return phone calls. She stated that Mr. McCracken explained the problems with the ongoing vandalism at this playground and recognized that while he and the church agreed to take on responsibility for the care of this playground, the City at times needs to assist with various issues.

Ms. Kelleher stated that Mr. McCracken asked that the issue be discussed at the Committee of the Whole session and that she sent an email to the Mayor's Office, the Managing Director's Office and the City Council about the request but no one responded.

Mr. Spencer called Mr. McCracken on his cell phone. Via speaker phone, Mr. McCracken described the serious vandalism and dumping issues at this playground. He stated that a meeting with Mr. Ruyak has been arranged for Thursday, May 16<sup>th</sup>. In addition to the dumping and vandalism Mr. McCracken stated that he is also going to discuss the need to place this playground in the rehabilitation rotation.

## **II. Trash and Recycling Billing**

Mr. Bembenick stated that this month's water bill includes trash and recycling charges for the first quarter of 2013. He stated that moving forward trash and recycling will be charged monthly at 1/12<sup>th</sup> of the annual cost. He described the effort made to educate the public about this change. He stated that a flyer will be added to the June bill.

Mr. Acosta expressed the belief that after the initial shock wears off, most property owners will find this method of billing helpful. However, he noted that most businesses would insert a flyer or notice in the billing the month prior to the change so customers are prepared. He noted sending a flyer a month after the change does little good.

Mr. Bembenick explained that the surcharge applies only to water/sewer charges and not to trash and recycling charges.

Mr. Marmarou inquired if the senior citizen discount has been eliminated. Mr. Bembenick stated that he is unsure.

Mr. Acosta read the questions submitted in writing from Ms. Goodman-Hinnershitz to the Auditor, Mayor and Managing Director as follows:

Greetings,

I hope my request for clarification of the recent water bill is addressed in writing.

The specifics include

The period for the water charges

The period for the sewer charges

The period for the recycling and trash charges

How the service charge is calculated

How can a customer project future bills?

Who to contact at the water authority and mayor's office regarding questions

I would hope at a minimum these questions will be answered within in the next week. It is helpful that the City has a liaison to the water authority who can assist with insuring these questions are addressed.

Thanks for everyone's cooperation in this important constituent concern.

Marcia

Mr. Acosta stated that the Administration will need to address these and other issues as this change is the result of an Administrative action, not a Council decision.

Mr. Bembenick stated that they are currently considering a discount program for low income eligible residents that will resemble the State tax rebate program.

Ms. Reed also noted the lack of communication with delinquent customers before accounts are sent to collection agencies. She expressed the belief that the average property owner who pays their bills is tired of carrying the burden for those who do not.

### **III. Charter Board Advisory Opinion re Charter Review Commission Appointments**

Mr. Marmarou noted receipt of the Charter Board Advisory Opinion which states that appointees to the Charter Review Commission must be approved via Council motion or resolution. He stated that he would like to move his appointee, Sam Ruchlewicz, forward for approval.

Mr. Acosta stated that Mr. Ruchlewicz will need to go through the same process as the other Council appointees went through, including an interview before an appointment resolution will be considered by the body of Council.

### **IV. Land Value Tax – Part II**

Mr. Lloyd distributed the handout that originated at the February discussion which provides projections for the current property tax billing and the switch to Land Value. He stated that this is the only tax that can promise both economic development and growth of the tax base. He stated that the projections are based on three data sets, using the 2012 tax rate. He stated that the current tax rate of 15.6 mils is used. He described the challenges with the data. He noted the need to determine the land-building ratio.

Mr. Lloyd stated that the term “revenue neutral” applies to the City’s revenue stream only. The term does not apply to the property or property owner.

Mr. Lloyd stated that the Administration is suggesting a millage rate of 0.011467 on buildings and 0.013718 on land and implementing this switch over a five year period. He noted that this tax application fights blight and speculators, as it heavily taxes unproductive properties, properties with large lots and vacant land.

Ms. Kelleher questioned the impact this will have on businesses similar to those on Rockland Street with large off-street parking areas as required by the Zoning Ordinance and on properties in low-density zoning districts as the Zoning Ordinance limits build out (Maximum Building Coverage 30% and Maximum Impervious Surface Coverage 40%).

Mr. Lloyd stated that those issues can be addressed through an amendment to the Zoning Ordinance. He stated that developers should be determining the amount of off-street parking they need for projects. He noted that the Land Value Tax can work holistically with the Land Bank Authority and community capitol through a Municipal Bank.

Mr. Acosta stated that while he understands the concept, he is unsure about the reality of the switch in taxing applications. He stated that as the Land Value application has many moving parts that need to align properly, he questions the reality of the application. He also noted that with a 5 year phase in, the decision of this Council could negatively affect a new Administration.

Mr. Lloyd expressed the belief that the switch to Land Value will spur the real estate market and the development of properties. He noted that the success of the Land Value application can be weighed through the increase in building permits, as improvements to properties will no longer be heavily taxed. Therefore, residents and developers will be encouraged to improve properties. He noted that those who do not choose to improve their properties should consider selling their properties.

In response to a question from Mr. Corcoran, Mr. Lloyd stated that under the current property tax model, buildings are more heavily taxed than land. Under Land Value, the land is taxed more heavily than the buildings.

Mr. Lloyd called attention to page 10 of the handout, which shows the effects on the various classes of properties. He stated that property taxes on farm land (Reading has one farm property) and industrial land will decrease under Land Value while commercial land, vacant land and residential land will increase under Land Value. The

break-out by Council Districts shows that the property taxes in Council Districts 1, 2, 3, and 4 will increase, while the taxes in Districts 5 and 6 will decrease.

Mr. Lloyd stated that Dana South property taxes will increase by \$1500 for year one and \$200,000 after the 5 year phase in. He stated that the Masano car dealership will experience a \$3,000 increase in year one and Reading Station will experience a \$7,000 increase in year one. Mr. Corcoran inquired about the cost of the property taxes amount at the end of the phase in. No response was provided.

Mr. Acosta stated that the Administration should plan public forums to educate residents about this proposal before legislation is moved forward to Council.

Mr. Lloyd and Ms. Kelleher stated that the Greater Reading Chamber is holding an information session for businesses on May 31<sup>st</sup> and that an email invitation was sent last week (copied in below)

**Invitation** to an Information Session to learn about the proposed Reading Land Value Tax

Join a group of key stakeholder chamber businesses to hear a ½ hour presentation from Eron Lloyd on Reading's proposed Land Value Tax Assessment followed by a ½ hour question and answer session.

When: Friday, May 31, 2013

Time: 8:00-9:00 a.m.

Where: RACC Schmidt Training Center Room 120



Registration is required since space is limited and Individual Land Value Tax Assessments will be provided based on registration. This assessment will enable you to understand how the Land value Tax will impact your business.

Greater Reading Chamber of Commerce & Industry | 201 Penn Street, Suite 501, Reading, PA 19601

Tel: 610.376.6766 | Fax: 610.376.4135

[info@GreaterReadingChamber.org](mailto:info@GreaterReadingChamber.org) | [www.GreaterReadingChamber.org](http://www.GreaterReadingChamber.org)

Council noted the need for education for residential properties and sessions for individual Council Districts were suggested.

## **V. Agenda Review**

Council reviewed the Regular Meeting agenda. Due to the need for additional information, the Berks Park 78 resolution will be tabled.

The Committee of the Whole meeting adjourned at 6:55 pm.

*Respectfully Submitted by*  
*Linda A. Kelleher, CMC, City Clerk*

